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ABSTRACT

One of the new and complex issues related to student aid is the independent student controversy. The author wishes to increase the Basic Opportunity Grant (BOG) and substantially increase work study to help the independent student. For the immediate future the author would like to see: (1) The BOG refined as a major Federal grant program committed to equalizing access to postsecondary education; (2) the phasing out of the Supplemental Education Opportunity Grant Program; (3) work study programs broadened; (4) accessible student loan programs developed that would be available to any student; (5) a strengthening of the State student incentive programs. In education, the increased burdens on the public treasury will have to be met through increased taxes. The author concludes by hoping that both the States and Federal tax laws will increasingly reflect progressive tax schedules so that the burdens will be borne most heavily by those who can afford it. (Author/PG)

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SUNDAY, MARCH 31, 1974

THE HONORABLE JOHN DELLENBACK BEFORE THE COLLEGE ENTRANCE EXAMINATION BOARD MEETING, DALLAS, TEXAS.

U.S. DEPARTMENT OF HEALTH
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THE WORLD OF EDUCATION FINANCE IS AN EVER-CHANGING, EVER CHALLENGING WORLD IN WHICH TO TRAVEL. IT SEEMS AS ONLY YESTERDAY THAT THE CONGRESS FINISHED THE LONG, ARDUOUS TASK OF WRITING THE EDUCATION AMENDMENTS OF 1972. SOME OF THE ISSUES WE FACED THEN STILL REMAIN. OTHERS ARE NEW. THIS WEEK, THE HOUSE OF REPRESENTATIVES SPENT TWO DAYS COMPLETING DEBATE ON ANOTHER OMNIBUS EDUCATION BILL, THE "ELEMENTARY AND SECONDARY EDUCATION AMENDMENTS OF 1974." WE STILL FACE A LONG CONFERENCE WITH THE SENATE THIS SPRING TO RECONCILE MAJOR DIFFERENCES BETWEEN THE HOUSE AND SENATE VERSIONS OF ESEA, BUT MANY OF US ARE NOW TURNING OUR ATTENTION ONCE AGAIN TO FEDERAL PROGRAMS OF POSTSECONDARY EDUCATION.

IN JUST A FEW DAYS REPRESENTATIVE JAMES O'HARA, THE VERY COMPETENT AND HARD-WORKING CHAIRMAN OF THE SPECIAL SUBCOMMITTEE ON EDUCATION, WILL LAUNCH OUR SUBCOMMITTEE ON SEVERAL MONTHS OF COMPREHENSIVE HEARINGS ACROSS THE WHOLE RANGE OF STUDENT ASSISTANCE PROGRAMS UNDER THE HIGHER EDUCATION ACT. AS RANKING MEMBER OF THAT SUBCOMMITTEE, I LOOK FORWARD TO A FRESH, THOROUGH EVALUATION OF WHERE WE ARE AND WHERE WE SHOULD BE IN THE SUPPORT OF STUDENTS IN POSTSECONDARY EDUCATION.

I MENTION THESE HEARINGS AS A WAY TO EMPHASIZE THE TIMELINESS OF THIS CONFERENCE. IT IS POSSIBLE AND INDEED HOPED THAT THE HOUSE COMMITTEE WILL DECIDE MANY OF THE MAJOR STUDENT AID QUESTIONS WITHIN THE NEXT SIX MONTHS.

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ALTHOUGH THE HIGHER EDUCATION ACT DOES NOT EXPIRE UNTIL JUNE 30, 2975. So I APPLAUD THE LEADERSHIP OF THE COLLEGE BOARD FOR CALLING YOU TOGETHER TO EXPLORE ONE OF THE NEW, COMPLEX ISSUES RELATED TO STUDENT AID -- THE SOCALLED "INDEPENDENT STUDENT." ISSUE.

WE IN THE CONGRESS HAVE BEEN DOING SOME INVESTIGATION IN THIS AREA. BUT LET ME HASTEN TO SAY THAT WE ARE JUST LEARNING TO UNDERSTAND THE QUESTIONS, AND ARE BY NO MEANS YET TO THE POINT OF SHAPING THE FINAL ANSWERS. AND IT WAS WITH THE ASSURANCE AND CLEAR UNDERSTANDING THAT NEITHER I, NOR ANY OF YOU, WAS REALLY EXPECTED TO LAY OUT DEFINITIVE SOLUTIONS TO THE QUESTIONS OF THE INDEPENDENT STUDENT THAT I ACCEPTED THE INVITATION TO BE WITH YOU! IT IS IMPORTANT THAT WE EXCHANGE ALL SERIOUS VIEWS ON THIS ISSUE, NO MATTER HOW MUCH IN DISAGREEMENT THEY MIGHT BE. INDEED, ONE OF MY CONCERNS IS THAT LOTS OF PEOPLE IN THE LAST COUPLE YEARS HAVE BEEN SAYING, "THERE ARE GOING TO BE SERIOUS PROBLEMS IN THE NEAR FUTURE BECAUSE OF THE 18 YEAR-OLD AGE OF MAJORITY," WITHOUT INVESTING THE TIME TO EXPLORE SERIOUSLY THE RAMIFICATIONS OF THE 26TH AMENDMENT AND THE RELATED STATE LAWS THAT FOLLOWED IN ITS AFTERMATH.

LET US BEGIN. FIRST, LET ME SUGGEST THAT STUDENT ASSISTANCE IS, AND WILL LIKELY REMAIN, THE MAJOR STRATEGY OF FEDERAL SUPPORT FOR POSTSECONDARY EDUCATION. ALTHOUGH THERE IS NO SUCH THING AS "A FEDERAL POLICY FOR POST-SECONDARY EDUCATION," I BELIEVE IT IS SIGNIFICANT THAT BOTH HOUSES OF CONGRESS AND THE ADMINISTRATION SEEM TO BE IN HARMONY ON STUDENT AID AS THE

MAJOR VEHICLE FOR FEDERAL AID IN THIS AREA. THERE ARE SIGNIFICANT DIFFERENCES ABOUT HOW TO USE THAT VEHICLE TO BE SURE. AND ALTHOUGH I WOULD LIKE TO ENCOURAGE MORE STATES TO DO MORE IN THE AREA OF STUDENT AID, I SEE THE PRIMARY STATE ROLE AS PROVIDING BASIC INSTITUTIONAL SUPPORT. I ALSO BELIEVE THAT IT IS THE STATES THAT MUST ULTIMATELY RESOLVE THE ISSUES SURROUNDING THE CURRENT "NO TUITION, LOW TUITION, HIGH TUITION" DEBATE.

IF WE ACCEPT THIS PERSPECTIVE, THEN IT IS THE FEDERAL GOVERNMENT WHICH MUST PROVIDE LEADERSHIP IN THE DISTRIBUTION OF STUDENT AID. WE MUST RESOLVE THE QUESTIONS OF WHO IS ELIGIBLE; WHERE CAN THE AID BE SPENT; HOW MUCH AID SHOULD BE PROVIDED IN THE FORM OF GRANTS, WORK STUDY, AND LOANS; HOW LONG CAN CITIZENS DRAW ON STUDENT AID SUPPORT; AND OTHER IMPORTANT QUESTIONS. IN ANSWERING THESE QUESTIONS, WE VALUE YOUR ADVICE AND NEED YOUR HELP.

BEFORE WE CAN DISCUSS INTELLIGENTLY THE QUESTIONS OF THE INDEPENDENT STUDENT -- AND HIS OR HER ELIGIBILITY FOR PUBLIC ASSISTANCE FOR POSTSECONDARY EDUCATION -- WE MUST CONSIDER THE QUESTION "WHAT IS POSTSECONDARY EDUCATION?" ON THIS QUESTION, CONGRESS HAS INDICATED QUITE CLEARLY THE DIRECTION IN WHICH IT THINKS WE SHOULD BE MOVING. WE NEED TO RECOGNIZE A FAR GREATER RANGE OF EDUCATIONAL NEEDS THAN WE DID ONLY A FEW YEARS AGO. WE MUST ESPECIALLY RECOGNIZE THE LEGITIMACY AND THE VALUE OF GOOD OCCUPATIONAL TRAINING AS AN EQUAL PARTNER IN THE POSTSECONDARY ENTERPRISE.

AS A MEMBER OF THE NATIONAL COMMISSION ON THE FINANCING OF POSTSECONDARY EDUCATION, I CAME TO APPRECIATE JUST HOW LARGE AND DIVERSE THIS ENTERPRISE

REALLY IS. MANY OF US HAD GROWN ACCUSTOMED TO THINKING ONLY OF SOME 2900 DEGREE-GRANTING, CAMPUS-ORIENTED, COMPREHENSIVE INSTITUTIONS WHEN WE THOUGHT ABOUT HIGHER EDUCATION. THAT IS A FAR TOO LIMITED VIEW.

IN ADDITION TO THIS "COLLEGIATE SECTOR" THE NATIONAL COMMISSION REPORT DISCUSSES ANOTHER 7,000 INSTITUTIONS IN WHAT WE CALLED THE "NON-COLLEGIATE SECTOR." THESE INSTITUTIONS ARE EITHER ACCREDITED BY A FEDERALLY-RECOGNIZED ACCREDITING AGENCY OR HAVE BEEN OTHERWISE CLASSIFIED AS BEING ELIGIBLE FOR PARTICIPATION IN FEDERAL STUDENT AID PROGRAMS. WE ARE JUST BEGINNING TO GAIN A WORKING KNOWLEDGE ABOUT THIS VERY HETEROGENEOUS SEGMENT OF POST-SECONDARY EDUCATION.

IF WE HAD TO ADJUST OUR THINKING ONLY TO INCORPORATE THESE INSTITUTIONS IN OUR PLANNING FOR STUDENT AID, THE TASK WOULD STILL BE RELATIVELY SIMPLE. BUT AMERICA IS AN EDUCATION-ORIENTED SOCIETY WITH A TRADITION AND A POLITICAL SYSTEM THAT ALLOWS AND EVEN ENCOURAGES ALMOST ANYONE TO COME UP WITH A NEW DELIVERY SYSTEM FOR LEARNING. NON-TRADITIONAL, OFF-CAMPUS LEARNING IS GROWING RAPIDLY. NEW TECHNOLOGY WILL ALLOW ALMOST EVERY INDIVIDUAL IN SOCIETY TO BE REACHED WITH SOME FORMAL, ORGANIZED LEARNING EXPERIENCE. IN MANY PROFESSIONS, PERIODIC RECURRENT EDUCATION IS A MUST. FOR OTHERS, INCREASED LEISURE TIME WILL BE USED FOR PURSUING ADDITIONAL EDUCATION. WE ARE, IN FACT, COMING TO APPRECIATE THE FULL POTENTIAL IMPACT OF THE PHRASE "LIFE-LONG LEARNING." INCLUDING FORMAL LEARNING OPPORTUNITIES SPONSORED BY BUSINESSES, CHURCHES, CIVIC GROUPS, PUBLIC RADIO AND TELEVISION, AND OTHERS, IT IS ESTIMATED THAT UPWARDS OF 32 MILLION AMERICANS BETWEEN 18 AND 60 PARTICIPATED IN SOME

FORMAL LEARNING EXPERIENCE DURING 1971-72.

~~YOU CAN SEE THAT~~ THE FURTHER OUT WE GO FROM THE TRADITIONAL COLLEGES AND UNIVERSITIES, THE MORE DIFFICULT IT BECOMES FOR THE FEDERAL GOVERNMENT TO DEFINE AN "ELIGIBLE INSTITUTION" AND AN "ELIGIBLE STUDENT." THE BROADER THE DEFINITION, THE MORE "INDEPENDENT" STUDENTS WE MUST CONSIDER SINCE THESE ARE OFTEN OLDER STUDENTS THAN THOSE JUST LEAVING HIGH SCHOOL. AND ONCE WE MOVE TOWARD INCLUDING THESE EDUCATIONAL PROGRAMS AND THESE OLDER STUDENTS, THE CRITERIA AND MECHANISMS FOR DELIVERING STUDENT AID -- LET ALONE THE BUDGET IMPLICATIONS -- BECOME TROUBLING ISSUES FOR DISCUSSION.

THE WILDEST SPECULATION I HAVE HEARD IS THAT THE NEW AGE OF MAJORITY LAWS PASSED BY MOST STATES IN RECENT YEARS WILL PRACTICALLY ELIMINATE WHAT WE NOW REFER TO AS THE DEPENDENT STUDENT. ACCORDING TO A LIBRARY OF CONGRESS STUDY OF STATE LAWS, THERE ARE NOW AT LEAST 39 STATES WHICH HAVE OVERALL 18-YEAR-OLD MAJORITY LAWS IN EFFECT. MOST OF THESE HAVE COME SINCE 1970. OTHER STATES ALLOW 18-YEAR-OLDS TO CONTRACT. THREE STATES -- ALASKA, NEBRASKA AND WYOMING -- CONFER MAJORITY AT AGE 19. ONLY IN ALABAMA, ARKANSAS, MISSISSIPPI, AND THE DISTRICT OF COLUMBIA IS THE AGE OF MAJORITY STILL 21.

~~OF COURSE~~, MANY OF US ARE WONDERING HOW THESE LAWS MIGHT AFFECT "NEEDS BASED" STUDENT AID PROGRAMS. WILL WE BE ABLE TO CONTINUE MAKING DECISIONS BASED ON AN EXPECTED PARENTAL FAMILY CONTRIBUTION SCHEDULE OF THE BASIC OPPORTUNITY GRANT PROGRAM?

WHEN WE TURN TO CASE LAW TO SEE WHAT THE COURTS HAVE HELD WITH RESPECT TO A PARENT'S RESPONSIBILITY TO PROVIDE SUPPORT FOR A CHILD'S EDUCATION, THERE IS LITTLE SPECIFIC GUIDANCE. MOST OF THE CASES DEAL WITH A DIVORCED OR SEPARATED FATHER'S RESPONSIBILITY TO PROVIDE SUPPORT FOR HIS CHILDREN. A PRIMARY CONSIDERATION IN THESE DECISIONS HAS BEEN THE FINANCIAL ABILITY OF THE FATHER.

AGAIN, REFERRING TO A STUDY DONE BY THE LIBRARY OF CONGRESS AT MY REQUEST, THE COURTS HAVE GENERALLY TAKEN A HANDS-OFF POLICY WITH RESPECT TO THE PARENT'S LEGAL OBLIGATIONS WHERE THE MARRIAGE IS UNDISSOLVED AND THE PARENTS AND CHILD ARE LIVING TOGETHER.

SOME LAWYERS WHO HAVE LOOKED AT THESE ISSUES IN THE CONTEXT OF THE BASIC OPPORTUNITY GRANT BELIEVE WE ARE LIKELY TO SEE COURT CHALLENGES TO THE PRESUMPTION OF NEED FEATURE OF THE PROGRAM. THEY ASK WHETHER IT ISN'T AN UNJUST DISCRIMINATION TO DENY A GRANT TO A STUDENT BECAUSE OF AN EXPECTED CONTRIBUTION THAT MAY IN FACT NOT BE GIVEN TO HIM. OTHER LEGAL SCHOLARS SEEM TO FEEL THERE IS NO CONSTITUTIONAL ARGUMENT AGAINST NEEDS BASED PROGRAMS THAT COULD PROVE SUCCESSFUL IN COURT. CERTAINLY THE DEBATE IS ONE WHICH THE CONGRESS AND STATE LEGISLATURES MUST LISTEN TO VERY CAREFULLY.

WHATEVER THE LEGAL QUESTIONS, THERE SEEM TO BE MANY SOCIAL INDICATORS OF LOOSENING FAMILY TIES, ESPECIALLY WHEN CHILDREN GRADUATE FROM HIGH SCHOOL. ALTHOUGH I LAMENT THE TREND, MANY PARENTS TODAY SEEM MORE INTERESTED IN

PURSUING THEIR OWN PERSONAL DESIRES THAN MAKING CONTINUED SACRIFICES ON BEHALF OF THEIR OLDER CHILDREN. BANKERS AND FINANCIAL AID OFFICERS HAVE REPEATEDLY TOLD US THAT MANY MIDDLE-INCOME PARENTS TODAY HAVE NOT PLANNED AHEAD BY SAVING UP FOR COLLEGE COSTS. IF THIS IS TRUE, THE PRESSURES FROM MIDDLE AND UPPER-MIDDLE INCOME PARENTS TO REDUCE OR ELIMINATE THE TARGETING OF GRANT AID ON STUDENTS FROM LESS FORTUNATE CIRCUMSTANCES CAN BE EXPECTED TO INCREASE.

THERE ALSO SEEMS TO BE A NEW INTEREST ON THE PART OF STUDENTS TO DECLARE THEMSELVES INDEPENDENT OF THEIR PARENTS. ~~I SUSPECT~~ CERTAINLY THERE ARE MANY REASONS FOR YOUNG PEOPLE WANTING TO ASSERT THEIR INDEPENDENCE, NOT ALL OF WHICH ARE RELATED TO A DESIRE BY YOUNG PEOPLE TO RELIEVE THE BURDEN ON THEIR PARENTS OF CONTINUED FINANCIAL SUPPORT. INTERESTINGLY ENOUGH, THE PHENOMENON SEEMS TO APPEAR MORE OFTEN AS THE FAMILY INCOME IS INCREASED.

IT IS UNDERSTANDABLE WHY MORE AND MORE ELECTED PUBLIC OFFICIALS ARE ASKING THAT AID NOW DIRECTED TOWARD THE VERY NEEDY BE REDIRECTED TO THAT POWERFUL CONSTITUENCY, "MIDDLE INCOME AMERICA." WITHOUT GETTING INTO THE ECONOMIC DETAILS, IT IS MY IMPRESSION THAT MIDDLE INCOME FAMILIES ARE IN REALITY BETTER OFF TODAY THAN TEN YEARS AGO. BUT WITH INFLATION AND A PERIOD OF RAPIDLY RISING EXPECTATIONS, MANY OF THESE FAMILIES FEEL THEY ARE WORSE OFF.

THE POLITICAL SUPPORT OF THE EDUCATED, MIDDLE INCOME GROUP DURING THE 1960'S FOR PUBLIC PROGRAMS AIMED AT HELPING LOW INCOME FAMILIES IS APPARENTLY ERODING OR AT LEAST WEAKENING. THIS IS EVIDENT IN MANY MORE AREAS THAN STUDENT

ASSISTANCE. WHAT POLITICAL LEADERS ARE RECOGNIZING IS THAT PROPOSALS FOR ANY MAJOR NEW SOCIAL PROGRAM -- TAKE NATIONAL HEALTH INSURANCE AS AN EXAMPLE -- WILL HAVE AN INFLUENCE ON HOW WE APPROACH THE QUESTION OF FUTURE SUPPORT FOR INDEPENDENT (OR FOR THAT MATTER ALL ) STUDENTS. THERE ARE MANY UNKNOWNS. WHAT I AM PREPARED TO DO IS TO OUTLINE WHERE I COME DOWN ON SOME OF THESE MATTERS IN HOPES THAT IT MIGHT PROVIDE A "STRAW MAN" FOR YOUR DISCUSSIONS THROUGHOUT THIS CONFERENCE. I FIND IT EASIER TO THINK IN THREE SEPARATE, ALBEIT INTERRELATED, TIME FRAMES: THE IMMEDIATE FUTURE; THE REST OF THE 1970'S; AND BEYOND 1980.

## IMMEDIATE FUTURE

THE APPROPRIATIONS COMMITTEE IN THE HOUSE IS NOW HOLDING HEARINGS ON THE STUDENT ASSISTANCE BUDGET REQUESTS FOR FISCAL YEAR 1975. THIS APPROPRIATION IS ADVANCED FUNDED, SO IT WOULD COVER STUDENTS ATTENDING SCHOOL IN THE ACADEMIC YEAR 1975-76.

YOU KNOW THAT THE PRESIDENT ASKED ONCE AGAIN THAT WE FULLY FUND BOG, WHICH HE ESTIMATES TO COST $1.3 BILLION. IN MAKING THIS LARGE A REQUEST, HOWEVER, HE RECOMMENDS NO NEW MONEY FOR THE SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS OR FOR NEW CAPITAL CONTRIBUTIONS TO THE DIRECT LOAN PROGRAM. THE BUDGET SUGGESTS APPROPRIATIONS LANGUAGE THAT WOULD, IN EFFECT, REPEAL LANGUAGE IN THE AUTHORIZING STATUTE THAT REQUIRES CERTAIN MINIMUM "THRESHHOLD" LEVELS BE MET IN THE THREE CAMPUS-BASED PROGRAMS BEFORE ANYTHING CAN BE APPROPRIATED FOR BOG. UNTIL THE BOG PROGRAM GETS A SOUNDER FOOTING AND THE

GUARANTEED STUDENT LOAN PROGRAM GETS A THOROUGH AND PROVEN OVERHAUL. I DO NOT THINK IT WOULD BE WISE TO ADOPT THESE BUDGET REQUESTS.

INSTEAD (AND I DO NOT WANT TO TAKE TOO MUCH TIME ON THIS), I WOULD RECOMMEND THAT WE DO ACCEPT THE TOTAL BUDGET REQUEST OF $1.997 BILLION FOR STUDENT AID -- WHICH IS AN INCREASE OF $320 MILLION OVER THE YEAR BEFORE -- BUT THAT WE ALLOCATE IT IN THE FOLLOWING MANNER: (ALL FIGURES IN MILLIONS)

| | APPROPRIATIONS 75 | APPROPRIATIONS 74 | BUDGET |
|---|---|---|---|
| BASIC OPPORTUNITY GRANT (LIMITED TO FIRST 3 YEARS) | $800 | $475 | $1300 |
| SUPPLEMENTAL EDUCATION OPPORTUNITY GRANT | 131 | 210 | -0- |
| COLLEGE WORK STUDY AND COOPERATIVE EDUCATION | 303 | 281 | 261 |
| NATIONAL DIRECT STUDENT LOAN | 293 | 293 | 6 |
| STATE STUDENT INCENTIVE GRANTS | 40 | 19 | -0- |
| GUARANTEED LOANS | 430 | 399 | 430 |
| | $1.997 | $1.677 | $1.997 |

I WILL NOT GO INTO THE DETAILS OF THIS PROPOSAL, OTHER THAN TO SAY THAT IT WOULD INCREASE THE AVERAGE BOG AWARD FROM AN ESTIMATED $430 IN 1974-75 TO AN ESTIMATED $640 THE FOLLOWING YEAR. ~~YOU WILL SEE WHY I PROPOSE A SUBSTANTIAL INCREASE IN WORK-STUDY, WHILE HOLDING TO THE MINIMUM "THRESHHOLD" LEVELS FOR SEOG AND NDSL IN A FEW MOMENTS.~~ BASICALLY, MY PROPOSAL IS SIMILAR TO THE WAY

IN WHICH THE CONGRESS HAS RESPONDED TO THE STUDENT AID BUDGET REQUEST FOR THE PAST TWO YEARS.

## INTERMEDIATE FUTURE

WHAT ABOUT THE INTERMEDIATE-RANGE FUTURE -- THE PERIOD FOR WHICH OUR COMMITTEE MUST LEGISLATE DURING THE NEXT YEAR OR SO? THIS PERIOD WOULD PROBABLY TAKE US NEAR TO 1980. I DO NOT HAVE SPECIFICS IN MIND, BUT I DO HAVE SOME GENERAL THEMES:

1. CONTINUE TO REFINE THE BOG AS THE MAJOR FEDERAL GRANT PROGRAM COMMITTED TO EQUALIZING ACCESS TO POSTSECONDARY EDUCATION. WHILE WE WILL NEED TO ADJUST THE FAMILY CONTRIBUTION SCHEDULE FROM TIME TO TIME, I AM COMMITTED TO KEEPING THE FIRST DOLLARS IN THIS PROGRAM FLOWING TO THE NEEDIEST STUDENTS. SOMEDAY, PERHAPS WE CAN FUND A GRANT PROGRAM THAT DOES NOT NEED TO SHUT OUT ANYONE. BUT SO LONG AS THERE ARE LIMITED FUNDS, AND SURVEY AFTER SURVEY CONTINUES TO SHOW THAT STUDENTS FROM FAMILIES WITH INCOMES ABOVE $15,000 ARE FOUR OR FIVE TIMES MORE LIKELY TO BE ENROLLED IN COLLEGE THAN CONTEMPORARIES FROM FAMILIES WITH INCOMES BELOW $3000 OR $4000, I BELIEVE WE MUST PUT OUR FIRST PRIORITY ON GIVING LARGER GRANTS TO STUDENTS FROM THE LOWER INCOME FAMILIES.

I DO NOT LOOK FOR EQUAL DISTRIBUTION OF STUDENTS BY LEVELS OF FAMILY INCOME. I DO NOT WISH TO SHUT OUT OTHER STUDENTS FROM QUALIFYING FOR A GRANT. ALL I SAY IS THAT, BARRING SOME UNFORESEEN COURT DECISION THAT FORCES US IN A NEW DIRECTION, I JOIN MANY OTHERS IN CONGRESS IN SUPPORTING THE PRESENT CONCEPT

BEHIND THE BOG PROGRAM.

2. PHASE OUT THE SUPPLEMENTAL EDUCATION OPPORTUNITY GRANT PROGRAM. WHILE THIS PROGRAM IS SERVING A VERY USEFUL PURPOSE DURING THE TRANSITION PHASE INTO A FULL-FLEDGED BOG PROGRAM, IT HAS MANY WEAKNESSES THAT ARGUE FOR ITS EVENTUAL DEMISE. STATE ALLOTMENTS DO NOT ALLOW MONEY TO GO WHERE IT IS MOST NEEDED. THE PROGRAM DEPENDS TOO HEAVILY ON EXPERIENCED FINANCIAL AID OFFICERS -- QUALIFIED INDIVIDUALS THAT MORE THAN HALF OF THE ELIGIBLE INSTITUTIONS DO NOT HAVE. INCREASINGLY, STATE SCHOLARSHIP PROGRAMS ARE SERVING TO COMPLEMENT THE BOG WITH ADDITIONAL GRANT SUPPORT. FINALLY, THE FEDERAL GOVERNMENT SHOULD BE CONSOLIDATING AND SIMPLIFYING ITS MANY STUDENT AID PROGRAMS.

3. BROADEN THE SCOPE OF THE WORK STUDY PROGRAM. EMPLOYERS SHOULD BE SOUGHT WHO WOULD COOPERATE IN PROVIDING PART-TIME WORK AND TRAINING PROGRAMS TO SUPPLEMENT A STUDENT'S EDUCATIONAL PROGRAM. INCENTIVES SHOULD BE DEVELOPED TO ENCOURAGE BOTH EDUCATIONAL INSTITUTIONS AND OUTSIDE EMPLOYERS TO DEVELOP MEANINGFUL NEW JOBS FOR STUDENTS. IF THIS WERE DONE, I BELIEVE WE COULD SUBSTANTIALLY RELAX, IF NOT ELIMINATE, ANY CRITERIA TIED TO CWS RELATED TO FINANCIAL NEED. THAT IS, IF A STUDENT IS WILLING TO WORK TO SUPPORT HIMSELF DURING HIS EDUCATION, PERHAPS WE SHOULD LEAVE IT TO THE INSTITUTION AND THE EMPLOYER AS TO WHO GETS PLACED IN WHICH JOB WITHOUT PUTTING A STUDENT THROUGH A NEEDS TEST. I THINK THIS APPROACH WOULD ~~BE POLITICALLY ATTRACTIVE AND~~ MOVE US AWAY FROM MANY OF THE PRESENT PROBLEMS ASSOCIATED WITH THIS PROGRAM BECAUSE OF THE REQUIREMENT THAT STUDENTS DEMONSTRATE NEED.

4. DEVELOP AN ACCESSIBLE STUDENT LOAN PROGRAM AVAILABLE TO ANY STUDENT REGARDLESS OF PARENTAL INCOME. ALTHOUGH THE HOUSE AND SENATE JUST THIS WEEK AMENDED THE GUARANTEED STUDENT LOAN PROGRAM TO REMOVE THE NEEDS TEST FOR SOME STUDENTS, I BELIEVE WE MUST COMPLETELY OVERHAUL THIS PROGRAM IN THE NEXT COUPLE OF YEARS. PARENTAL INCOME SHOULD HAVE NO BEARING ON THE AVAILABILITY OF A LOAN WHICH THE STUDENT MUST REPAY. BASICALLY, I WOULD PREFER THAT WE MOVE TO A SINGLE TYPE OF LOAN WHERE EVERYONE WOULD PAY A CERTAIN INTEREST, PERHAPS 7%, FROM THE TIME THE LOAN IS TAKEN OUT UNTIL IT IS REPAID. I BELIEVE THE $200-$300 MILLION PROJECTED FOR IN-SCHOOL INTEREST SUBSIDIES DURING EACH OF THE NEXT FEW YEARS COULD BE BETTER SPENT IN THE GRANT OR WORK PROGRAMS. OF COURSE, THE AMOUNTS NECESSARY TO COVER THE SPECIAL ALLOWANCE, DEFAULTS, DEATH AND DISABILITY BENEFITS WOULD CONTINUE TO INCREASE. IN ADDITION TO THESE CHANGES, I THINK WE MUST FIND WAYS TO STRENGTHEN THE STATE ROLE IN THE LOAN PROGRAM AND CONSIDER VARIABLE REPAYMENT SCHEMES.

5. WHEN A SOLID GUARANTEED LOAN PROGRAM IS IN PLACE, WE SHOULD BE ABLE TO PHASE OUT THE DIRECT STUDENT LOAN PROGRAM. THIS PROGRAM SUFFERS UNDER SOME OF THE SAME PROBLEMS AS THE SEOG. MANY SCHOOLS HAVE BUILT UP SIZEABLE REVOLVING FUNDS SUFFICIENT TO KEEP THEM IN BUSINESS WITHOUT FURTHER FEDERAL CAPITAL CONTRIBUTIONS.

6. FINALLY, I BELIEVE WE SHOULD STRENGTHEN THE STATE STUDENT INCENTIVE PROGRAM AS A WAY TO HELP PRODUCE NECESSARY GRANT AID WITHOUT THE INFLEXIBILITY THAT A SINGLE NATIONAL GRANT PROGRAM LIKE BOG NECESSARILY HAS TO HAVE. SOME STATES HAVE A STRONG PRIVATE SECTOR AND OTHERS DO NOT. SOME ARE COMMITTED TO

LOW TUITION EDUCATION AND OTHERS ARE NOT. ENCOURAGING EACH STATE TO DEVELOP MEANINGFUL STUDENT GRANT PROGRAMS CONSISTENT WITH ITS GENERAL PLAN FOR POST-SECONDARY EDUCATION SEEMS TO ME AN IMPORTANT PIECE IN THE TOTAL STUDENT ASSISTANCE PROGRAM.

IN SUMMARY, I VIEW THE NEXT FOUR OR FIVE YEARS AS A TIME FOR REFINING THE PROGRAMS WE HAVE ALREADY BEGUN; FOR SIMPLIFYING THE PROCEDURES AND RED TAPE FOR INSTITUTIONS AS WELL AS FOR STUDENTS; AND FOR SHARPENING OUR COMMITMENT TO THE NEEDIEST STUDENTS THROUGH GRANTS WHILE MOVING AWAY FROM NEEDS TESTS IN WORK AND LOAN PROGRAMS.

## LONG TERM VIEW

WHAT ABOUT THE LONGER RUN? FRANKLY, I HAVE NO CRYSTAL BALL THAT GIVES ME MANY SPECIFIC IDEAS ABOUT WHAT IS BEST BEYOND THIS DECADE. BUT I DO HAVE SOME GENERAL IDEAS AND COMMENTS.

I WOULD THINK THAT THE CURRENT DEBATE ABOUT TUITION WOULD BE SETTLED THROUGH VARIOUS WAYS AT THE STATE LEVEL.

WE KNOW THAT ENROLLMENTS IN COLLEGES AND UNIVERSITIES ARE LIKELY TO DECLINE THROUGHOUT THE 1980's. ALONG WITH SOME TRENDS WE HAVE ALREADY ALLUDED TO, THIS FACTOR WILL SURELY MEAN THAT INSTITUTIONS WILL BE SEEKING NEW CLIENTELS; GENERALLY OLDER AND ALMOST ENTIRELY "INDEPENDENT" IN THE SENSE WE ARE USING THAT TERM.

WE CAN EXPECT THE IDEA OF TAX CREDITS FOR EDUCATIONAL EXPENSES TO COME UP REGULARLY. RIGHT NOW, I HAVE MANY QUESTIONS ABOUT ITS WORTH AS AN EFFECTIVE USE OF RESOURCES THAT WOULD OTHERWISE BE AVAILABLE TO THE GOVERNMENT FOR SPECIFIC PURPOSES.

THE IDEA OF A POSTSECONDARY EDUCATION VOUCHER FOR ALL 18-YEAR-OLDS, TO BE USED AT ANY TIME THROUGHOUT ONE'S LIFE, HAS A GREAT DEAL OF INITIAL APPEAL. THERE ARE INDIVIDUALS EXPLORING THESE KINDS OF NOTIONS AND I WOULD CERTAINLY ENCOURAGE THEM TO CONTINUE.

FRANKLY, I HAVE PERSONAL DOUBTS THAT OUR SOCIETY WILL OR SHOULD PLACE SUCH A HIGH PRIORITY ON POSTSECONDARY EDUCATION FOR ALL INDIVIDUALS THAT IT WILL COME UP WITH THE MONEY TO GIVE EVERYONE A "FREE RIDE." I WOULD GUESS WE WILL USE OUR LIMITED RESOURCES FIRST FOR HEALTH, HOUSING, TRANSPORTATION AND INCOME MAINTENANCE PROGRAMS.

MY INTUITION AND EXPERIENCE TELLS ME THAT IT IS GOOD FOR EACH OF US TO INVEST SOME OF OUR OWN RESOURCES IN AN EDUCATIONAL EXPERIENCE. NOT ONLY DOES IT TEND TO KEEP US MOTIVATED TO MAKE THE BEST USE OF THE EXPERIENCE, BUT THE ORGANIZATION TO WHICH WE GIVE OUR MONEY FEELS MORE OF AN OBLIGATION TO PROVIDE A MEANINGFUL EXPERIENCE. WITH OUR MANY PROBLEMS IN FREE PUBLIC ELEMENTARY AND SECONDARY EDUCATION FOR ALL, I CAN NOT SEE AMERICA MOVING IN THE SAME DIRECTION FOR ITS POSTSECONDARY OPPORTUNITIES.

IF I AM CORRECT, OR EVEN NEAR CORRECT, MOST OF US HERE WILL CONTINUE TO SEE A GREAT DIVERSITY OF POSTSECONDARY EDUCATION OPPORTUNITIES SUPPORTED BY A DIVERSITY OF SOURCES. INDEPENDENT STUDENTS WILL INCREASE AS A PERCENTAGE OF THE WHOLE. CONGRESS SHOULD BE ABLE TO DRAFT LEGISLATION THAT MEETS ANY NEW CONSTITUTIONAL TEST AND STILL BE ABLE TO HELP THOSE YOUNGER STUDENTS WHO NEED SPECIAL ASSISTANCE TO PUT THEM SOMEWHAT ON A PAR WITH STUDENTS FROM FAMILIES OF SOME MEANS.

IN EDUCATION, AS IN OTHER SOCIAL PROGRAMS, THE INCREASED BURDENS ON THE PUBLIC TREASURY WILL HAVE TO BE MET THROUGH INCREASED TAXES. WE CAN HOPE THAT BOTH THE STATES AND THE FEDERAL TAX LAWS WILL INCREASINGLY REFLECT PROGRESSIVE TAX SCHEDULES SO THAT THE BURDENS WILL BE BORNE MOST HEAVILY BY THOSE WHO CAN AFFORD IT. ACCORDING TO RECENT COMMISSION REPORTS, THE INTERESTING ECONOMIC FACT IS THAT THOSE WHO ATTEND POSTSECONDARY INSTITUTIONS ARE SUPPORTED IN LARGE PART BY THOSE WHO DO NOT ATTEND.

WELL, THAT IS MY RATHER SWEEPING VIEW OF SOME OF THE ISSUES I SEE BEFORE US. I HAVE NOT TRIED TO GET INTO THE MANY DETAILED AND COMPLICATED QUESTIONS SURROUNDING THE INDEPENDENT STUDENT SUCH AS WHAT SHOULD BE COUNTED AS A LEGITIMATE EDUCATIONAL EXPENSE FOR PURPOSES OF DETERMINING NEED. THESE I WILL LEAVE TO YOU EXPERTS AND THE OUTLINE OF YOUR PROGRAM FOR THE NEXT DAY SOUNDS STIMULATING AND CHALLENGING.

I WOULD CLOSE WITH A VERY SINCERE EXPRESSION OF MY APPRECIATION FOR BEING INVITED TO BE HERE WITH YOU AND FOR YOUR WILLINGNESS TO INVEST YOUR TIME IN SORTING OUT THESE ISSUES. I CAN ASSURE YOU THAT THE RESULTS OF THIS CONFERENCE WILL BE OF GREAT INTEREST TO OUR SUBCOMMITTEE AND THAT WE WILL WELCOME ANY SUGGESTIONS THAT MIGHT HELP US SHAPE THE MOST EQUITABLE AND WORKABLE STUDENT AID PROGRAMS POSSIBLE FOR THE YEARS AHEAD.

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